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C O N F I D E N T I A L SANTIAGO 000579

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E.O. 12958: DECL: 06/17/2019
TAGS: [ECON](#) [ENRG](#) [PGOV](#) [PHUM](#) [PREL](#) [SOCI](#) [CI](#)
SUBJECT: CHILE'S PRESIDENTIAL RACE: AMBASSADOR'S
CONVERSATION WITH SENATOR EDUARDO FREI

Classified By: Ambassador Paul E. Simons. Reason 1.4(b) and (d)

11. (C) SUMMARY: Senator Eduardo Frei, Concertacion presidential candidate, received the Ambassador at his home June 17, hours before re-launching his campaign at a massive rally. The Senator predicted that he would win against Alianza candidate Sebastian Pinera in a second-round run-off. He criticized Pinera's campaign as "right-wing" and dismissed alternative candidate Marco Enriquez-Ominami. Frei said that as president he would modestly expand the role of the state in social protections, promoting labor rights, changing the Chilean Constitution, and reforming education. At the same time, he hailed his strong historic ties with Chile's business community. Frei avowed that Chile must become autonomous in energy terms, through hydro and possibly nuclear power. He assured the Ambassador that Chile would continue its close collaboration with the U.S. Skeptical of regional integration, Frei suggested that the U.S. continue working closely with Brazil, Chile, and Mexico to achieve its objectives in the hemisphere. Frei ended the conversation by sending his personal regards to the Secretary. End Summary.

The Campaign: Frei Will Stay the Course and Win

12. (C) On June 17, Senator Frei received the Ambassador at his home. The Ambassador told him of U.S. interest in Chile's presidential campaign and asked for the Senator's analysis. Frei said that his campaign has been very active but that he maintains a "certain tranquility" about the election's outcome. (Note: Frei demonstrated his activity hours later speaking for 30 minutes at a late-night, 5,000-person rally to "re-launch" his campaign, surrounded by current GOC ministers, and ex-presidents Aylwin and Lagos. End note.)

13. (C) The Senator did not discuss recent press speculation about the strength of his campaign (due to the continuing lead of Alianza candidate Sebastian Pinera, and the sudden emergence of an alternative center-left candidate in Marco Enriquez-Ominami). The Senator did emphasize that Chile's pre-election season is a long one and that he will continue pursuing his platform. Frei believes that he will ultimately win the election after a second round run-off with Pinera. The Senator is convinced that Chileans will end up voting for continuity, not a break with the successes of previous Concertacion governments.

14. (C) Frei remarked that upstart candidate Marco Enriquez-Ominami was largely a press phenomenon. Ominami lacked substance and many of his political positions were contradictory. Frei had recently met with mayors and city council members in the south of the country. He had not seen

any evidence of a surge in support for Ominami, and noted that all the traditional Concertacion political figures were squarely backing the Frei candidacy. The Senator stressed his campaign is the only one having a "profound" conversation with people outside of Santiago. (Note: A highly respected poll published June 18 reported that among registered voters, Pinera led with 34% of the vote, Frei had 30%, and Ominami had 14%. End note.)

15. (C) Discussing Pinera's campaign, Frei turned especially dour. He said a Pinera presidency would take Chile in a completely different direction. The Alianza candidate lacked a social base, was "very elitist," and embraced risky positions such as privatizing key state-owned enterprises. These were all weaknesses Frei and his campaign planned to exploit. The Senator thought the Alianza was already having problems with its electoral base as a result of disenchantment with Pinera inside his own coalition (mostly from the hard-right wing). Frei cited recent polls in which Pinera's popularity was showing a decline (Note: This was before the poll cited in para 4. End note).

Expanding the Social Safety Net

16. (C) The Ambassador asked Frei how he would change or expand on the policies of the Bachelet Administration if elected. The Senator vowed that his administration would need to reinforce and expand state protections for Chile's citizens (especially the lower middle class). Workers must be allowed to freely organize and bargain collectively to stop the many abuses that happened in Chilean companies.

Frei noted that Walmart's Chilean subsidiary was an example of a company that should allow unions. Frei was quick, however, to cite his "very good relations" with the business community. He noted that his campaign was receiving open support from many businesses and that his administration would work well with the private sector, as he did in his first term.

17. (C) The Senator explained that Chile needed to start and institutionalize a new social dialogue (previous dialogues had only occurred during times of crisis). He saw a new Constitution as essential, including the elimination of the current binomial electoral system, which Frei said was "destroying" Chile's democracy. Education reforms were also critical to improving social and economic conditions in Chile.

Energy Autonomy is the Key

18. (C) In response to the Ambassador's query about a Frei Administration's policies on energy, the Senator said Chile had to be "more aggressive" in pursuing an "energy autonomy." The Senator thought the construction of the new LNG plants was a positive development because it eliminated Chile's need for gas from unreliable sources, such as Argentina. However, they would not be enough for the country's future energy needs. Frei believed hydro power was an important resource for Chile, but the biggest issue would be how to tackle transmission lines and their capacity. He noted nuclear power was a possible alternative, but even if Chile decided to start the process of acquiring nuclear energy today, it would not be finished before 2020. Frei described Argentina's nuclear plants as a "risk" to Chile that would make renouncing the use of nuclear energy foolish.

Foreign Relations: Keep Working with Friends

19. (C) Frei emphasized that Chile's collaboration with the U.S. would continue under his presidency. He thought President Obama needed to keep relying on three key countries to pursue its objectives in Latin America -- Brazil, Chile, and Mexico. Frei said Venezuela was a "total disaster" and Chavez an "absolute dictator." He believed the country

risked entering a period of civil chaos. Ecuador might soon follow Venezuela's path and Colombia had its own problems. Bolivia and Argentina were in critical situations and Peru was an unknown quantity, dependent on the next presidential elections.

¶10. (C) The Senator lamented that the political reality of the hemisphere today was basically the same as the one with which his father had dealt. He said Latin American nations had a way of turning on one another, in part because of weak institutions. Frei was convinced "it does not have to be this way." Chile would work to strengthen democracy in the region in concert with the U.S. A Frei Administration would balance pursuit of deeper relations in Asia with hemispheric diplomacy. In particular, Frei wanted to see increased cooperation between Chile and Brazil.

Frei Investigation: "I Just Want the Information"

¶11. (C) Turning to the continuing investigation into the cause of his father's death, Frei reiterated several times to the Ambassador that he just wanted information from the U.S. on the results of lab work done on his father's remains. The Senator cited two meetings at the State Department with (then) Ambassador Fernandez, (then) Interior Undersecretary Harboe, and PDAS Kelly. He claimed the USG had promised to help him get the results of the tests, but had yet to fulfill that commitment. (Comment: It is unclear whether Frei is unaware that the Embassy sent a diplomatic note to the MFA in January 2009 with the results of the tests. He may have the information, but feels that it is merely a cover for the U.S. to sit on other valuable information. End comment.) The Ambassador undertook to find out more about the status of the case in Washington.

¶12. (C) COMMENT: Senator Frei appeared serious about the consequences of Chile's upcoming presidential election but relaxed about the course of his campaign and his eventual victory (as he sees it). The cliché of being "cool, calm, and collected," seems a perfect thumbnail sketch of Frei in

this period of Chile's electoral process. The Senator's previous experience as president has clearly shaped his platform and strategy. In foreign policy, a Frei Administration would likely benefit U.S. goals in the region.

Many of Frei's positions closely mirror U.S. thinking and he was open in his espousal of the need for continuing collaboration. Frei ended the conversation by asking the Ambassador to send his personal regards to the Secretary, noting he looked forward to seeing her again. END COMMENT.

SIMONS